

**VIA ECFS** 

June 27, 2016

Marlene H. Dortch, Secretary Federal Communications Commission Office of the Secretary 445 Twelfth Street S.W. Washington, D.C. 20554

RE: Hardy Telecommunications, Inc (ILEC) FCC Form 481 submittal – Program Year 2017

Dear Ms. Dortch,

Hardy Telecommunications Inc. (SAC 200259) hereby submits the attached "FCC From 481 – Carrier Annual Reporting Data Collection" pursuant to sections 54.313 and 54.422 of the Commission's rules, as filed with the Universal Service Administrative Company.

Please contact me with any questions you have on this filing.

Sincerely,

D. Scott Sherman

General Manager and CEO

FCC For	m 481 - Carrier Annual Reporting Data Collection Form		FCC Form 481  OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	200259	
<015>	Study Area Name	HARDY TELECOM	
<020>	Program Year	2017	
<030>	Contact Name: Person USAC should contact with questions about this data	Jennifer Kimble	
<035>	Contact Telephone Number: Number of the person identified in data line <030>	3048979911 ext.	
<039>	Contact Email Address: Email of the person identified in data line <030>	jkimble@hardynet.com	
	Form Type	54.313 and 54.422	

	ervice Quality Improvement Reporting ollection Form			FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060 July 2013	0-0819
<010>	Study Area Code	200259	-		
<015>	Study Area Name	HARDY TELECOM			
<020>	Program Year	2017			
<030>	Contact Name - Person USAC should contact regarding this data	Jennifer Kimble			
<035>	Contact Telephone Number - Number of person identified in data line <030>	3048979911 ext.			
<039>	Contact Email Address - Email Address of person identified in data line <030>	jkimble@hardynet	.com		
<110>	Has your company received its ETC certification from the FCC?  If your answer to Line <110> is yes, do you have an existing §54.202(a) "5	(yes / no	$\overline{\Omega}$		
<111>	year plan" filed with the FCC?	(yes / no			
<112>	If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.  Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your CETC which only receives frozen support, your progress report is only required to address voice telephony service.		0259WV112.pdf		
	Places solest the appropriate response helesy (Ver Ale Alex Are Userhalans et			Name of Attached Document	
	Please select the appropriate responses below (Yes, No, Not Applicable) to conf that the attached document(s), on line 112, contains a progress report on its five				
	service quality improvement plan pursuant to §54.202(a). The information shall				
	submitted at the wire center level or census block as appropriate.	De			
44425			<del></del>		
<113>	Maps detailing progress towards meeting plan targets		Yes		
<114>	Report how much universal service (USF) support was received		Yes		
<115>	How much (USF) was used to improve service quality and how support was used to improve		Yes		
<116>	How much (USF) was used to improve service coverage and how support was used to imp		Yes		
<117> <118>	How much (USF) was used to improve service capacity and how support was used to improve an explanation of network improvement targets not met in the prior calendar year.	rove service capacity	Yes Not Applicable		
	<del></del>				

(200) Ser	vice Outage R	eporting (Vol	ce)						FC	C Form 481		
Data Coli	ection Form								OI		0-0986/OMB Control I	No. 3060-0819
<010>	Study Area Co	ode				200259						
<015>	15> Study Area Name HARDY TELECOM											
<020>	Program Year					2017						·
<030>	Contact Name	e - Person USA	C should contac	t regarding thi	s data	Jennifer K	imble					
<035>				rson identified			ext.					
<039>	Contact Email	Address - Ema	il Address of pe	erson identified	in data line <0	)30> jkimble@har	dynet.com					
<210>	For the prior	r calendar yea	ar, were there	any reportal	ble voice serv	ice outages?	No					
<220>	<a></a>	<b1></b1>	<b2></b2>	<b3></b3>	<b4></b4>	<c1></c1>	<c2></c2>	<d>&gt;</d>	<e></e>	<f></f>	<g></g>	<h>&gt;</h>
	NORS Reference Number	Outage Start Date	Outage Start Time	Outage End Date	Outage End Time	Number of Customers Affected	Total Number of Customers	911 Facilities Affected (Yes / No)	Service Outage Description (Check all that apply)	Did This Outage Affect Multiple	Service Outage Resolution	Preventative Procedures
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							-· · ·					
	-											
									<b> </b> -			
												<del></del>

	fulfilled Service Request ection Form				FCC Form 481 OMB Control No. 3060 July 2013	0-0986/OMB Control No.	3060-0819
<010>	Study Area Code		200259				
<015>	Study Area Name		HARDY TELECOM	 		*****	
<020>	Program Year		2017				
<030>	Contact Name - Person USAC should contact reg	arding this data	Jennifer Kimble				
<035>	Contact Telephone Number - Number of person	identified in data line <030>	3048979911 ext.				
<039>	Contact Email Address - Email Address of person	identified in data line <030>	jkimble@hardynet.com				
<300> U	nfulfilled service request (voice)		0				
<310> D	Detail on attempts (voice)						
	_	Name	e of Attached Document	 			
<320> l	Unfulfilled service request (broadband)		0	 ]			
<330>	Detail on attempts (broadband)						
		N	ame of Attached Document	-			

(400) Number of Complaints per 1,000 customers		and the second s	FCC Form 481
Data Collection Form	- 14 - 17 - 18 - 18 - 18 - 18 - 18 - 18 - 18		OMB Control No. 3060-0985/OMB Control No. 3060-0819
		<u> </u>	July 2013

_	<010>	Study Area Code 200255	
_	<015>	Study Area Name	
	<020>	Program Year	
	<030>	Contact Name - Person USAC should contact regarding this data	(or Kimble
_	<035>		2048979911 ext.
	<039>	Contact Email Address - Email Address of person identified in data line <030>	: Naple Phardynet.com
_	<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC fo any facilities you own, operate, lease, or otherwise utilize.	
	<410>	Complaints per 1000 customers for fixed voice	0.0
	<420>	Complaints per 1000 customers for mobile voice	
	<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
	<440>	Complaints per 1000 customers for fixed broadband	0.0
	<450>	Complaints per 1000 customers for mobile broadband	

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Data Col	mpliance With Service Quality Standards and Consumer Protection Rules lection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	200255
<015>	Study Area Name	HAPDY TELECON
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Jennifer Kimble
<035>	Contact Telephone Number - Number of person identified in data line <030>	3048979911 ext.
<039>	Contact Email Address - Email Address of person Identified in data line <030>	jkinble@hardynet.com
<500>	Certify compliance with applicable service quality standards and consumer pro	otection rules Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Ru	200259WV510.pdf les Compliance

	unctionality in Emergency Situations ollection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	200259	
<015>	Study Area Name	HARDY TELECOM	
<020>	Program Year	2017	
<030>	Contact Name - Person USAC should contact regarding this data	Jennifer Kimble	
<035>	Contact Telephone Number - Number of person identified in data line <030>	3048979911 ext.	
<039>	Contact Email Address - Email Address of person identified in data line <030>	jkimble@hardynet.com	
<600>	Certify compliance regarding ability to function in emergency situations	Yes	
<610>	Descriptive document for Functionality in Emergency Situations	200259WV610.pdf	

(600) Functionality in Emergency Situations

(700) Price Offerings including Voice Rate Data Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010> Study Area Code	200259	
<015> Study Area Name	HARDY TELECOM	
<020> Program Year	2017	
<030> Contact Name - Person USAC should contact regarding this data	Jennifer Kimble	
<035> Contact Telephone Number - Number of person identified in data	ine <030> 3048979911 ext.	
<039> Contact Email Address - Email Address of person identified in data	line <030> jkimble@hardynet.com	
<701> Residential Local Service Charge Effective Date 1/1/2016 <702> Single State-wide Residential Local Service Charge		

L	State	<a2> Exchange (ILEC)</a2>	SAC (CETC)	Rate Type	Residential Local Service Rate	 State Subscriber Line Charge	Mandatory Extended Area Service Charge	Total per line Rates and F
L								Total per internates and 1
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L								

(710) Broadbrand Price Offerings	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013

<010>	Study Area Code	00259
<015>	Study Area Name	HARDY TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Jennifer Kimble
<035>	Contact Telephone Number - Number of person identified in data line <030>	3048979911 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jkimble@hardynet.com

<a1></a1>	<a2></a2>	<b1></b1>	<b2></b2>	<c></c>	<d1></d1>	<d2></d2>	<d3></d3>	<d4></d4>
State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rate and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached (s <i>elect</i>
		-						
			- See attac	hed				
		<del> </del>	See attac worksheet -					
								· ·

(800) Op	erating Companies			FCC Form 481
Data Coll	lection Form			OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code		200259	
<015>	Study Area Name		HARDY TELECOM	
<020>	Program Year		2017	
<030>	Contact Name - Person	USAC should contact regarding this data	Jennifer Kimble	
<035>	Contact Telephone Nur	nber - Number of person identified in data line <030>	3048979911 ext.	
<039>	Contact Email Address	Email Address of person identified in data line <030>	jkimble@hardynet.com	
<810>	Reporting Carrier	Hardy Telecommunications		
<811>	Holding Company	Hardy Telecommunications, Inc.		
<812>	Operating Company	Hardy Telecommunications		

<a1></a1>	<a2></a2>	<a3></a3>
Affiliates	SAC	Doing Business As Company or Brand Designation
	- See attached worksheet	

482 46 75 60 25	ibal Lands Reporting illection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	200259	
<015>	Study Area Name	HARDY TELECOM	
<020>	Program Year	2017	
<030>	this data	Jennifer Kimble	
<035>	the cost of person facilities in data line costs	3048979911 ext.	
<039>	Contact Email Address - Email Address of person identified in data line <030>	jkimble@hardynet.com	
<900>	Does the filing entity offer tribal land services? (Y/N)	No	
<910>	Tribal Land(s) on which ETC Serves		-
<920>	Tribal Government Engagement Obligation	Name of Attached	Document
If your o	company serves Tribal lands, please select (Yes,No, NA) for each these boxes		
to confi	rm the status described on the attached document(s), on line 920,		
	trates coordination with the Tribal government pursuant to	Select	
	3(a)(9) includes:	Yes or No or	
, 0 , 10 1	(4)(5) includes.	Not Applicable	
921>	Needs assessment and deployment planning with a focus on Tribal		
	community anchor institutions.		
922>	Feasibility and sustainability planning;		
923>	Marketing services in a culturally sensitive manner;		
924>	Compliance with Rights of way processes		
925>	Compliance with Land Use permitting requirements		
926>	Compliance with Facilities Siting rules		
927>	Compliance with Environmental Review processes		
	Compliance with Cultural Preservation review processes		
928>	compliance with cultural Fleselvation review brocesses		

	oice and Broadband Service Rate Comparability ection Form	- 4	FCC Form 481  OMB Control No. 3060-0986/OMB Control No. 3060-0819  July 2013
<010>	Study Area Code		200259
<015>	Study Area Name		HARDY TELECOM
<020>	Program Year		2017
<030>	Contact Name - Person USAC should contact regarding this data		Jennifer Kimble
<035>	Contact Telephone Number - Number of person identified in data line		3048979911 ext.
<039>	Contact Email Address - Email Address of person identified in data line	<030>	jkimble@hardynet.com
<1000>	Voice services rate comparability certification	Yes 20025	s 259WV1010.pdf
<1010>	Attach detailed description for voice services rate comparability compliance		Name of Attached Document
<1020>	Broadband comparability certification	Yes the	- Pricing is no more than the most recent applicable benchmark announced by Wireline Competition Bureau
<1030>	Attach detailed description for broadband comparability compliance		
			Name of Attached Document

	lo Terrestrial Backhaul Reporting llection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	200259	
<015>	Study Area Name	HARDY TELECOM	
<020>	Program Year	2017	
<030>	Contact Name - Person USAC should contact regarding this data	Jennifer Kimble	
<035>	Contact Telephone Number - Number of person identified in data line <030>	3048979911 ext.	
<039>	Contact Email Address - Email Address of person identified in data line <030>	jkimble@hardynet.com	
1100>	Certify whether terrestrial backhaul options exist (Y/N)	Yes	
<1130>	Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 upstream within the supported area pursuant to § 54.313(g).	kbps	

(1200) T	erms and Condition for Lifeline Customers			
Lifeline				FCC Form 481
Data Col	lection Form			OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code			
<015>	Study Area Code		200259	
	Study Area Name		HARDY TELECOM	
<020>	Program Year		2017	
	Contact Name - Person USAC should contact regarding this data		Jennifer Kimble	
<035>	Contact Telephone Number - Number of person identified in data line	e <030	> 3048979911 ext.	
<039>	Contact Email Address - Email Address of person identified in data lin	e <030	> jkimble@hardynet.com	
			200259WV1210.pdf	
			Lustosavizio.pai	
<1210>	Terms & Conditions of Voice Telephony Lifeline Plans		1	
	terms a conditions of voice relephony Elienne Plans			
				Name of Attached Document
<1220>	Link to Public Website .			The second secon
112207	Link to Public Website	HTTP	http://www.hardynet.net/residenti	al/telephone/lifeline/
		_		
"Please c	heck these boxes below to confirm that the attached document(s), on line 121			
or the we	heite listed on line 1220, contains the required information	10,		
	bsite listed, on line 1220, contains the required information pursuant to			
	(a)(2) annual reporting for ETCs receiving low-income support, carriers must			
annually	eport:			
<1221>	Information describing the terms and conditions of any voice			
	telephony service plans offered to Lifeline subscribers,	~		
	, , , , , , , , , , , , , , , , , , ,			
×12225	5			
<1222>	Details on the number of minutes provided as part of the plan,	V		
<1223>	Additional charges for toll calls, and rates for each such plan.	V		
	, and recession each such plan.			

(2000) Pric	a Can Carrion Additional Description			
THE RESIDENCE OF THE PARTY OF T	e Cap Carrier Additional Documentation			FCC Form 481
Data Collec				OMB Control No. 3060-0986/OMB Control No. 3060-0819
Including R	ate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers			July 2013
<010> 5	Study Area Code	200259		
<015> 5	Study Area Name	HARDY TELECOM		
<020> F	Program Year	2017		
	Contact Name - Person USAC should contact regarding this data	Jennifer Kimble		
<035>	Contact Telephone Number - Number of person identified in data line <030>	3048979911 ext.		
<039>	Contact Email Address - Email Address of person identified in data line <030>	jkimble@hardynet.com		
and Con	e appropriate responses below (Yes, No, Not Applicable) to note nect America Phase II support as set forth in 47 CFR § 54.313(b)	e compliance as a recipi ,(c),(d),(e). The informa	ient of Incremental High Cost support, H tion reported on this form and in the do	ligh Cost support to offset access charge reductions, ocuments attached below is accurate.
l:	ncremental Connect America Phase I reporting			
<2010>	2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note	that for the July 1		
	2016 certification, this applies to Round 2 recipients of	of Incremental		
	Support Support	of incremental		
-2011>				
<2011>	3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note	that for the July 1		
	2016 certification, this applies to Round 1 recipients of	of Incremental		
	Support			
<2022>	Recipient certifies, representing year two after filing a	notice of		
	acceptance of funding pursuant to 54.312(c), that the	locations in		
	question are not receiving support under the Broadba	and Initiatives		
	Program or the Breadhand Task as I am Committee	and initiatives		
	Program or the Broadband Technology Opportunities	Program for		
	projects that will provide broadband with speeds of a	t least 4		
	Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients on	ly.		
<2023>	The attachment on line 2024 includes a statement of	the total amount of		
	capital funding expended in the previous year in meet			
	America Phase I deployment obligations, accompanie			
	blocks indicating where funding was a set. This	d by a list of census		
	blocks indicating where funding was spent. This cover	rs year two -		
	54.313(b)(2)(ii). Round 2 recipients only.			
<2024A>	Round 2 Recipient of Incremental Support?			
<2024B>	Attach list of census blocks indicating where funding where			2
~20240>		vas spent in year	Name of Attached Document List	ting
	two - 54.313(b)(2)(ii). Round 2 recipients only.		Required Information	
<2025A>	<ul> <li>Round 1 or Round 2 Recipient of Incremental Support</li> </ul>	?		
<2025B>	Attach geocoded Information for Phase I milestone re	manta /Da	N	
~202302			Name of Attached Document List	ing
	year three and Round 2 for year two) - Connect Ameri	ca Fund , WC	Required Information	
	Docket 10-90, Report and Order, FCC 13-			
<2015>	2016 and future Frozen Support Certification 47 CFR §	54.313(c)(4)		
1907200000000000000000000000000000000000	-FF			1

Data Collection For	arrier Additional Documentation (Continued) rm eturn Carriers affiliated with Price Cap Local Exchange Carriers.	FCC Form 481 OMB Control ( July 2013	id. 3060-0986/OMB/Control No., 3060-0815.
	Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}		
<2016>	Certification support used to build broadband		
Connec	t America Phase II Reporting {47 CFR § 54.313(e)}		
<2017A>	Connect America Fund Phase II recipient?		
<2017B>	Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price	Name of Attached Document Listing Required Information	
<2018>	cap carrier used for capital expenditures in 2015. Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)	Name of Attached Document Listing Required Information	
<2019>	Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)	· ·	
<2020>	Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)		
<2021>	Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31; 2018 - 54.313(e)(4)		
<2026>	Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)		
<2027>	Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)		

Data Collect	Of Return Carrier Additional Documentation ion Form				FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code		200250		
<015>	Study Area Name		200259 HARDY 1	DET ECOM	
<020>	Program Year		2017	ELECOM	
<030>	Contact Name - Person USAC should contact regarding this	data		er Kimble	
<035>	Contact Telephone Number - Number of person identified i	n data line <030>	3048979		
<039>				@hardyne	et.com
(033)	Contact Email Address - Email Address of person identified	in data line <030>	System Colores	a harantanea	
compliand	the items below to note compliance with five year ce with the financial reporting requirements set fort nents attached below is accurate.	service quality pl h in 47 CFR § 54.	an (pursuant t 313(f)(2). I fur	o 47 CFR § 54.3 ther certify tha	202(a)) and, for privately held carriers, ensuring at the information reported on this form and in
(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)				
3010A)	Milestone Certification {47 CFR § 54.313(f)(1)(i)}		Yes - A	ttach Certific	
(3010B)	Please Provide Attachment	Name of Attach	ed Document Li	isting Required	200259WV3010.pdf
3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	No - No New Com	munity Anchor	s	
(3012B)	Please Provide Attachment	Name of Attach	ed Document Li	sting Required	
3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	Information (Yes/No)	0	0	L
3014)	If yes, does your company file the RUS annual report	(Yes/No)	$\odot$	O	
3015) 3016)	Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:  Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)  Document(s) with Balance Sheet, Income Statement		[	~	
3017)	and Statement of Cash Flows If the response is yes on line 3014, attach your	Name of Asset	٠		200259WV3017.pdf
3017)	company's RUS annual report and all required documentation	Name of Attache Information	ed Document Li	sting Required	
3018)	If the response is no on line 3014, is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission on line	(Yes/N	0)	0	
3019)	3026 pursuant to § 54.313(f)(2), contains: Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS				
3020)	Operating Report for Telecommunications Borrowers Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows				
3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the				
3022)	boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains: Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format				
3023)	comparable to RUS Operating Report for Telecommunications Borrowers Underlying information subjected to a review by an independent certified public accountant				
3024)	Underlying information subjected to an officer certification.				
3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows				
3026)	Attach the worksheet listing required information	Name of Attache	d Document Lis	ting Required	

(3005) Rate Of Return Carrier Additional Documentation (Continued)	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code	200259
<015>	Study Area Name	HARDY TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Jennifer Kimble
<035>	Contact Telephone Number - Number of person identified in data line <030>	3048979911 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jkimble@hardynet.com

Fire del Pres Guerra			
Financial Data Summary (3027) Revenue	6857924		
(3028) Operating Expenses	6164285		
(3029) Net Income	292799		
(3030) Telephone Plant In Service(TPIS)	44640601		
(3031) Total Assets	27950649		
(3032) Total Debt	13272469		
(3033) Total Equity	9363152		
(3034) Dividends	0		

(4005) Rural Broadband Experiment Additional Documentation	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code	200259
<015>	Study Area Name	HARDY TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Jennifer Kimble
<035>	Contact Telephone Number - Number of person identified in data li	ne <030> 3048979911 ext.
<039>	Contact Email Address - Email Address of person identified in data I	ine <030> jkimble@hardynet.com

### 4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

### Public Interest Obligations - FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

**4001.** Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

### Community Anchor Institutions - FCC 14-98 (paragraph 79)

**4003a**. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

### If yes to 4003A, please provide a response for 4003B.

relevant geographic area.

4003b. Provide the number, names and addresse of community anchor institutions to which the recipient newly began providing access to	•	
broadband service in the preceding calendar yea		
Broadband Deployment Locations – FCC 14-98 (	paragraph 80)	
4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing	Name of Attached Document Listing Required Information	
deadline for the FCC Form 481.		
4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials		
must at least detail the pricing, offered broadbar speed and data usage allowances available in the	d Name of Attached Document Listing Required Information	

ertification - Reporting Carrier Pata Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Coi July 2013	ntrol No. 3060-0819
<010> Study Area Code	200259	
<015> Study Area Name	HARDY TELECOM	

<010>	Study Area Code	200259
<015>	Study Area Name	HARDY TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Jennifer Kimble
<035>	Contact Telephone Number - Number of person identified in data line <030>	3048979911 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jkimble@hardynet.com

### TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

# Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate. Name of Reporting Carrier: HARDY TELECOM Signature of Authorized Officer: CERTIFIED ONLINE Date 06/24/2016 Printed name of Authorized Officer: David Sherman Title or position of Authorized Officer: 3048979911 ext. 9421 Study Area Code of Reporting Carrier: 200259 Filing Due Date for this form: 07/01/2016 Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

	bon-Agent/Cerrier lection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	200259
<015>	Study Area Name	HARDY TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Jennifer Kimble
<035>	Contact Telephone Number - Number of person identified in data line <030>	3048979911 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jkimble@hardynet.com

# TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

I certify that (Name of Agent)	is authorized to submit the information reported on behalf of the reporting carrier.			
is authorized to submit the information reported on behalf of the reporting carrier, also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.				
Name of Authorized Agent:				
Name of Reporting Carrier:				
Signature of Authorized Officer:	Date:			
Printed name of Authorized Officer:				
Title or position of Authorized Officer:				
Telephone number of Authorized Officer:				
Study Area Code of Reporting Carrier:	Filing Due Date for this form:			
Persons willfully making false statements on this form	can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.			

### TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier			
I, as agent for the reporting carrier, certify that I am authorized to submit the the data reported herein based on data provided by the reporting carrier; and	annual reports for universal service support recipients on behalf of the reporting carrier; I have provided , to the best of my knowledge, the information reported herein is accurate.		
Name of Reporting Carrier:			
Name of Authorized Agent Firm:			
Signature of Authorized Agent or Employee of Agent:	Date:		
Name of Authorized Agent Employee:			
Title or position of Authorized Agent or Employee of Agent			
Telephone number of Authorized Agent or Employee of Agent:			
Study Area Code of Reporting Carrier:	Filing Due Date for this form:		
Persons willfully making false statements on this form can be punished by fine 18 o	or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title f the United States Code, 18 U.S.C. § 1001.		

Attachments

	ce Offerings including Voice Rate Data lection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	200259	
<015>	Study Area Name	HARDY TELECOM	
<020>	Program Year	2017	
<030>	Contact Name - Person USAC should contact regarding this data	Jennifer Kimble	
<035>	Contact Telephone Number - Number of person identified in data line <030>	3048979911 ext.	
<039>	Contact Email Address - Email Address of person identified in data line <030>	ikimbloghardusat	

<701> Residential Local Service Charge Effective Date 1/1/2016 <702> Single State-wide Residential Local Service Charge

<703>

<a1></a1>	<a2></a2>	<a3></a3>	<b1></b1>	<b2></b2>	<b3></b3>	<b4></b4>	<b5></b5>	<c></c>
State	Exchange (ILEC)	SAC (CETC)	Rate Type	Residential Local Service Rate	State Subscriber Line Charge	State Universal Service Fee	Mandatory Extended Area Service Charge	Total per line Rates and Fee
TV .	Hardy		MS	13.0	0.0	0.0	0.92	13.92
V	Hardy		MS	17.0	0.0	0.0	0.98	17.98
1	Hardy		MS	21.0	0.0	0.0	0.4	21.4
v	Hardy		FR	28.0	0.0	0.0	0.0	28.0
							· · · · · · · · · · · · · · · · · · ·	

<010>	Study Area Code	200259
<015>	Study Area Name	HARDY TELECOM
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Jennifer Kimble
<035>	Contact Telephone Number - Number of person identified in data line <030>	3048979911 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jkimble@hardynet.com

State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rates and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service -Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select}
wv	Hardy	89.95	0.0	89.95	6.0	2.0	999999.0	Other, No Limit
wv	Hardy	109.95	0.0	109.95	10.0	3.0	999999.0	Other, No Limit
WV	Hardy	42.0	0.0	42.0	5.0	2.0	999999.0	Other, No Limit
WV	Hardy	64.0	0.0	64.0	15.0	7.0	999999.0	Other, No Limit
WV	Hardy	87.0	0.0	87.0	25.0	10.0	999999.0	Other, No Limit
wv	Hardy	105.0	0.0	105.0	5.0	5.0	999999.0	Other, No Limit
WV	Hardy	170.0	0.0	170.0	15.0	15.0	999999.0	Other, No Limit
WV	Hardy	215.0	0.0	215.0	25.0	25.0	999999.0	Other, No Limit
		<del>                                     </del>						

(800) Operating Companies	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code		200259
<015>	Study Area Name		HARDY TELECOM
<020>	Program Year		2017
<030>	Contact Name - Person U	JSAC should contact regarding this data	Jennifer Kimble
<035>	Contact Telephone Num	ber - Number of person identified in data line <030>	3048979911 ext.
<039>	Contact Email Address -	Email Address of person identified in data line <030>	jkimble@hardynet.com
<810>	Reporting Carrier	Hardy Telecommunications	
<811>	Holding Company	Hardy Telecommunications, Inc.	
<812>	Operating Company	Hardy Telecommunications	

<813> <a1></a1>	<a2></a2>	<a3></a3>
Affiliates	SAC	Doing Business As Company or Brand Designation
Hardy Telecommunications, Inc CLEC	209009	
HardyNet, LLC		
·		
	<del>                                     </del>	
	_	

# FCC Form 481 Carrier Annual Reporting – Other Attachments

# Hardy Telecommunications, Inc 2016 PROGRESS REPORT ON SERVICE QUALITY IMPROVEMENT PLAN

### **PREAMBLE**

This document is an integral part of the Company's 2016 Annual Report, as attached to Form 481. It is in compliance with §54.313(a)(1) adopted in the FCC's USF/ICC Transformation Order (11-161) and incorporates all further clarifications identified in subsequent Reconsideration Orders, as applicable, that were in effect at the time the Annual Report was due by Rule, to the requisite regulatory authorities.

Hardy Telecommunications advises that the environment in which the Company operates is dynamic, not static. As a result, certain network targets identified in its initially filed 5 Year Network Improvement Plan, may be modified in response to regulatory decisions that have been subsequently adopted, and as their implication upon the Company's financial viability in providing the required services and service level quality became known.

Modifications to the network plan may also have been taken due to changes in technology (vendor)-driven support, weather, or other emergency related contingencies.

# **UNIVERSAL SERVICE SUPPORT RECEIVED IN 2015**

Per the Universal Service Administrative Company (USAC), as available for the period up to this filing, Hardy Telecommunications received a total of \$2,876,133 (as of 12/31/15) in USF support funds. The breakdown of the funding to the point of filing is:

\$ 467,115
High Cost Loop Support
Local Switching Support

\$ 876,126 Connect America Fund-Intercarrier Compensation Support

- \$ 1,532,892 Interstate Common Line Support

- \$0 Safety Net Additive

Universal Service Support funds are used to: 1) maintain, upgrade, and improve the Company's network and, 2) cover operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband within the authorized serving area.

USF support will continue to be included in the Company's current revenue accounts and forward-looking projections. Revenues, in the aggregate, are used for both capital expenditures as well as to cover operating expenses and fixed costs incurred to obtain capital from lenders. The Company does not segregate USF separately for purposes of capital and operating expenditures; USF is expended in the same proportion as its contribution is to the Company's aggregated revenue amount.

The proportionate share of USF expenditures in 2015 for CAPEX, as compared to OPEX, far exceeds the amount of USF received. However, it is worth noting that much of the CAPEX expenditures were done through a USDA/RUS BIP grant/loan and those expenditures were accomplished with loan proceeds. But the Company also funded the continuation of the FTTH project after the federal grant/loan period expired and those monies expended. Based on debt service for those loans and other projects during the year, it is estimated that the proportionate share of USF expenditures to be \$2,740,099 (95%) for CAPEX and for OPEX to be \$136,034 (5%). Also, of that CAPEX amount, it is worth noting that to date \$676,099 has been used to satisfy the Company's debt payments to RUS for the loan portion of the BIP-RUS federal award for the FTTH project. The total amount of CAPEX also reflects current debt obligations with RUS and Rural Telephone Finance Cooperative on previous projects and that amount of debt service for 2015 was \$765,608.

In the accompanying 2015 project detail, expenditures for network improvements sometimes involve service quality, coverage and capacity as an integrated improvement project and are not mutually exclusive from one another. In terms of cost, projects involving multiple qualifiers are of equal dollar equivalence. Where a project involves a single qualifier, it is so noted.

### PROGRESS REPORT

### 2015

Overall: The Company has completed several major projects. It is worth noting that the Company completed those previously forecasted projects that had "direct impact" on the customers in its serving area. The Company did not complete a vehicle upgrade, nor did it complete some lesser "back office" projects for office upgrades, general computers, and some general operations software.

FTTH-BIP Project: Hardy Telecommunications successfully concluded the obligations for its BIP-RUS award (70% Grant/30% Loan) to build out FTTH to most of its customers in its ILEC territory. Namely, in the first half of 2015, the Company completed BIP project fiber construction and electronics installation, at both the concentrator/splitter level and customer premise, in providing service to the Rio, Mill Gap/Trout Pond, Whetzel Hollow, Arkansaw, and Crab Run areas of its greater serving area. These areas are reflected in red on the attached map. Additionally, several small "fiber distribution taps" for customer connection were completed across various areas in the ILEC, but given the small distances, would not show on the map due to scale.

This project provides Service Quality, Coverage and Capacity upgrades.

FTTH NON- BIP Project: The federal portion of the project ended on July 30, 2015, but as shared in last year's filing, the Company would continue with the project and expend USF funds and its own funds for CAPEX and OPEX money to the extent that the Company can afford to do so. So, as committed, the Company continued on with its efforts to bring FTTH services to those customers wanting it in areas that did not get service under the federal program due to cost, time, and/or grant/loan funds being exhausted. The Company continued installing services — drops and customer premise equipment, as well as small distance fiber distribution taps. By the December 31, 2015, the Company had installed additional FTTH services to customers across the project area, and built distribution fiber to pass an additional 257 homes beyond the 979 already receiving FTTH services from the Company.

This project improves Service Quality and Upgrades Capacity, and in the future, will improve service to the customers living along the route who subscribe to the service.

<u>Central Office Projects:</u> Due to the untimely receipt of an "end of support/life notice" on its IP soft switch, the Company decided it needed to take advantage of the vendor's promotion related to the matter, and with that was able to upgrade its IP-based soft switch.

This project provides for critical digital/IP-based voice routing capability and enhances Service Quality.

<u>Crew Construction Projects:</u> In addition to the aforementioned projects, the Company completed various cable projects throughout its serving area that connected new customers, as well as provided for service quality improvements in other areas. The Company had spent \$92,079 on these projects by the end of 2015.

These projects provide Service Quality, Coverage and Capacity upgrades.

Mapping Software Enhancement: The Company had originally intended to add some functionality to its existing mapping software. However, there was a need for accurately tracking its fiber plant and electronics, so it was decided some major enhancements needed to be done to the mapping system. Thus the Company upgraded its mapping software system.

This project provides for Service Quality and Operational Efficiencies.

\*\*\*\*

# NETWORK IMPROVEMENT PROJECTS-PROGRESS REPORT AS OF 2015 ANNUAL REPORT SUBMISSION - December 51, 2015

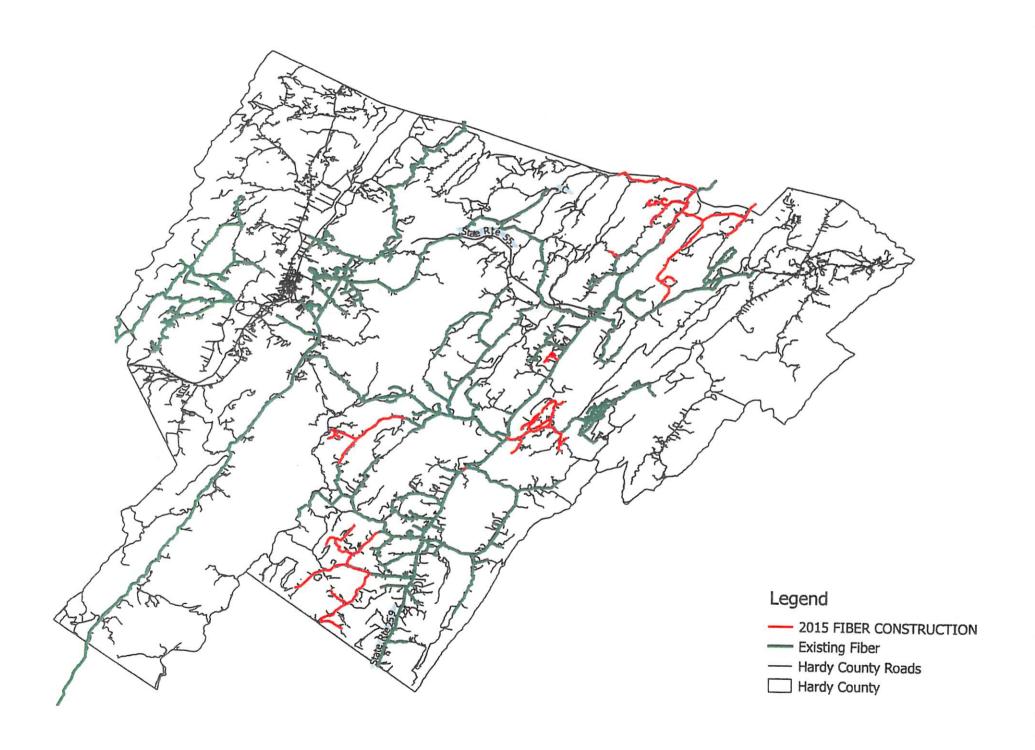
			~	- was	one ner on i		OE: 100 34, 4443							
	C\User\User\User\User\User\User\User\User	Top on Report As of YE3015 - hove 3014 [1]::A2015		COST	ACTUAL	REGULATED %	AMOUNT IN USF	*	*	AREA	POPULATION	74007 00100		
MAP	WIRE CENTER NAME & CLU	DESCRIPTION of IMPROVEMENT	PLIRPOSE	ESTIMATE	COST	ALLOCATION	SUPPORT AREA	VOICE	BROADBAND	IMPACTED	IMPACTED	TARGET COMPLETION DATE		
REF.	A A	D D	1	C	D	Ε	F=OxE	***	***	***	900	***	DATE	Notes
	2015													╅╾┥
	Wire Center Name & CLU	i		1	l					1				1 1
LSRV	Lost River - LSRVWVXADSO	Replace CO-ISP Tech Work Vehicle	General General	\$32,500	\$0	100%	\$32,500	50%	50%	384 sq miles	8,410	12/30/2015	j	1 1
	i	Replace OSP Vehicle	General	\$40,000	\$30,492	75%	\$22,869	50%	50%	384 sq miles	8,410	9/30/2015	10/7/2015	1 1
		Replace Office-Mgmt. Vehicle	General	\$35,000	\$30,500	75%	\$22,875	50%	50%	384 sq miles	8,410	9/30/2015	5/31/2015	1 1
				\$1,220,000	53,338,936	100%		50%	50%	l			1	1 1
		FTTH - BIP Project (Cost shown at 30% loan only) FTTH - BIP Project Electronics (at 30% loan only)	Service Quality and Capacity	\$263,250	\$3,334,936 \$3\$9,648	100%	\$3,338,936 \$3\$9,648	50% 50%	50%	126 sq miles	2,400	9/30/2015	7/30/2015	1 1
		FITH - BIP Project Electronics (at 30% loan only)	Service Quality and Capacity	\$263,230	3337,048	100%	5339,548	3076	30%	126 sq miles	2,400	9/30/2015	7/30/2015	2
		FTTH • Non-SIP Project	Service Quality and Capacity	\$\$\$\$,000	5776,208	100%	5776,208	50%	50%	78 sq miles	600	12/31/2015	12/31/2015	1.1
	!	FTTH - Non-81P Project Electronics	Service Quality and Capacity	\$120,000	\$\$9,641	100%	\$59,641	50%	50%	78 sq miles	600	12/31/2015	12/31/2015	1;1
			1			1							1	1.1
	i	Concentrator Buildings&Electronics Upgrades	Service Quality and Capacity	\$33,500	\$33,046	100%	\$33,046	\$0%	SO%	384 sq miles	8,410	12/31/2015	12/31/2015	3
	1	L	l	*****			45.000		l				i	1 1
	<b>!</b>	Office Equipment Upgrades	General	\$\$,000	\$0	100%	\$5,000	50%	50%	384 sq miles	8,410	12/31/2015	l	4
	1	Tool & Equipment Upgrades	General	\$9,500	SO	100%	59,500	50%	50%	384 sq miles	8,410	9/30/2015	i	1.1
					•				****		4,120	3/34/2013	i	1 4 1
	i	General Computer Upgrades	General	\$12,000	SO	100%	\$12,000	50%	50%	384 sq miles	8,410	12/31/2015	i	1 4 1
			1			ĺ			1 1	i		, ,	l	11
		Accounting System Modules and Upgrades	General	\$11,500	\$0	100%	\$11,500	50%	50%	384 sq miles	8,410	6/30/2015	1	1 1
		Central Office Projects	Service Quality and Capacity	\$30,000	\$169,126	75%	\$126,845	50%	50%	384 sq miles				1 1
	1	Central Once Projects	Setatos cinsus and exhacts	330,000	\$109,120	/37	3120,043	3U%	30%	384 sq mues	8,410	9/30/2015	12/91/2015	5
	l	Crew Construction Projects	Service Quality and Capacity	\$140,000	592,079	100%	\$92,079	50%	50%	126 sq miles	840	12/31/2015	12/31/2015	6
		· · · · · · · · · · · · · · · · · · ·	. ,			ł							+434813	•
		Mapping Software Enhancements	General	\$8,000	\$219,772	75%	\$164,829	50%	50%	384 sq miles	8,410	9/30/2015	12/31/2015	,

2015 TOTAL PROJECTS \$2,515,250 \$5,109,449 \$4,996,976

### NOTES

- 1 FITH Project represents remaining homes and businesses that were passed by the BIP project, but did not connect at the time or areas were there were other issues.
- 2 FTTH Electronics goes with "1" above and provides for necessary cross-connect panels, splitter cabinets, and customer premise equiment, etc.
- 3 Concentrator Buildings and Electronics Upgrades consisted of various locations and electronics to improve and enhance services.
- 4 Office Equipment, Tool and Equipment and General Computer Upgrades takes into account general changes in business along with new technologias; no investments were made in 2015 in these areas though.
- 5 Central Office Projects company received end-of-life notice and accepted a proposal to pay monthly and upgrade the switch; was originally not planned.
- 6 Crew Construction Projects were various minor construction projects (such as new drops or minor route extensions) built by construction crew.
- 7 Mapping software was dated making additional enhancements not an option; company decided to purchase upgraded software to support ongoing FTTH project.

A The RUS-BIP ARRA Grant/Loan Project was completed and all monies were spent by 9/30/15. Originally, the date to spend all money was earlier, but RUS charged that and allowed the company to essentially spend all remaining funds.



# Line 510 - Service Quality Standards & Consumer Protection Rules Compliance:

### **Consumer Protection**

### Voice and Broadband

Hardy Telecommunications (Hardy) complies with the requirements of 47CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag Rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee and Board of Directors training is conducted annually and new hires are instructed on the programs as required by their job functions.

### Service Quality Standards

### Voice

The Company complies with the service quality standards and consumer protection rules set forth by the West Virginia Public Service Commission, and within its rules and regulations as it relates to Service Quality Standards and Consumer Protection Rules. Hardy is committed to providing the highest quality service to its customers.

### **Broadband**

Hardy follows the service standards noted in NECA Tariff #5 and is committed to provide the highest quality service to its broadband customers.

## Line 610 - Emergency Operations Functionality & Capability

The Company prides itself on updating and maintaining all of its plant and equipment to prevent outages before they happen. If outages do occur, the Company has a 24-hour/7 days-a-week on call staff and alarm reporting systems in place that send the necessary notifications to the 24-hour/7 days-a-week personnel monitoring these systems. The Company certifies that it follows best practices that are designed to allow them to remain functional in an emergency situation through the use of back-up power to ensure functionality.

Absent catastrophic failure of the network or elements of it, the Company has the capability to engage in some re-routing of traffic based on what facilities are damaged. While the Company has engineered its network based on accepted industry engineering practices, changing call routing may, to some extent, permit the Company to manage traffic patterns throughout its network during emergency situations.

The Company performs exercises to test disaster preparedness on each site's back-up power systems and they are tested weekly. Major transport facilities are also tested periodically to ensure failover reliability.

The company provides the following information regarding its central office back-up battery and generator capability during electricity failures within its operating areas. The company has deployed battery back-up power in its central office that will produce an estimated twenty(20) hours of back-up power for the Company's central office. The initiation of the Company's battery back-up capability is triggered instantaneously of the network identifying the existence of a loss of power.

The Company also has a back-up gas generator that is available at its central office should it be necessary. The generator would provide an additional 100 hours of back-up power capability based on fuel capacity. Assuming the availability of fuel at the locations, the generator would provide sufficient power to operate even longer absent some unforeseen breakdown of it. Based on current contingency preparation plans, the Company estimates that the necessary generator-provided back-up power capability can be deployed and functioning within a minute of the identification of its need, well within the time frame of the estimated battery power back-up capability possessed by the Company. In addition, the Company has two portable generators that can be moved to the necessary site(s) to recharge batteries at the site(s). The following is a listing of remotes with the appropriate back-up battery and/or generator capability:

Remote Name	Battery Run Time Estimated	Generator	Generator Run Time Estimated		
Arksansaw	21 hours	Υ	333 hours		
Ashton Woods North	600 hours	N			
Ashton Woods South	266 hours	N			
Baker	16 hours	N			
Baker Tower	8 hours	N			
Baker Industrial Park	320 hours	N			
Beans Settlement	61 hours	N			
Bass	72 hours	N			
Bear's Heil Tower	62 hours	N			
Brants-Teets	214 hours	N			
Byrd	8 hours	N			
Crab Run	86 hours	N			
East Hardy High School	16 hours	N			
Grover Smith	200 hours	N			
Helmick Rock	21 hours	Υ	667 hours		
Jenkins Hollow	300 hours	N			
Kessel	18 hours	Υ	333 hours		
Lower Cove	228 hours	N			
Mill Gap	200 hours	N			
Mathias	17 hours	Υ	333 hours		
Mattie Snyder	48 hours	N			
Needmore	32 hours	Υ	333 hours		
North River	16 hours	N			
Peru	35 hours	Υ	333 hours		
Potomac Valley Overlook	16 hours	N			
Rig	12 hours	N			
Rio	114 hours	N			
South Fork	9 hours	Υ	145 hours		
State Park	228 hours	N			
Strawderman Hollow	214 hours	N			
Trout Pond	62 hours	N			
Upper Cove	171 hours	N			
Whetzel Hollow	320 hours	N			

# **Voice Service Rate Comparability**

As evidenced by the data provided in line 700 of this form 481, the Company's voice service pricing is no more than two standard deviations above the national average urban rate (\$47,48) as announced by the Wireline Competition Bureau on April 16, 2015 (DA 15-470)

Lifeline Certification, Verification, and Confirmation for Determining Initial and Continuing Eligibility of Consumers for USF Supported Lifeline Services

### General Assertion/Certification:

The Company has policies and procedures in place to ensure that its Lifeline subscribers are eligible to receive Lifeline services. The Company has instituted certification and verification procedures in accordance with Section 54.416 of the rules of the Federal Communications Commission (the "FCC"). Specifically, the Company refers to any and all consumers who request USF supported services from Hardy Telecommunications to the West Virginia Department of Health and Human Resources for proper confirmation and documentation of eligibility. Hardy Telecommunications proceeds with instituting such services after the proper documentation of eligibility from the DHHR is received from the consumer.

In addition, as required by Section 54.410 of the FCC's rules, the Company obtains a valid certification form for each subscriber for whom the Company will be seeking Lifeline reimbursement. A copy of the Company's "Annual Lifeline Certification and Verification" form has been attached to the Company's submission in response to the May 1, 2012 "Commission Order" in the above referenced proceeding.

Based on the foregoing, my knowledge, information and belief, I hereby certify that the Company has policies and procedures in place to ensure that its Lifeline subscribers are eligible to receive Lifeline services, that the Company is in compliance with all federal Lifeline certification procedures, and that the Company has obtained a valid certification form for each subscriber for whom the carrier seeks Lifeline reimbursement.

Scott Sherman, General Manager and CEO of Hardy Telecommunications, Inc. and its Operating Companies

Table of Contents for Additional Supporting Documents:

- Lifeline Assistance (Guideline for Customers)
- Lifeline Assistance Certifications
- Lifeline Assistance Tariff as Currently Filed and on record with the West Virginia Public Service Commission
- Website link regarding Company's Lifeline Assistance Program:
   <a href="http://www.hardynet.net/residential/telephone/lifeline/">http://www.hardynet.net/residential/telephone/lifeline/</a>

### LIFELINE ASSISTANCE

- 1. Lifeline Assistance consists of a credit in the amount of \$9.25 on eligible customer's bills.
- 2. The Lifeline discount can apply to ANY residential service plans that provide voice telephony
  - Partial payments will first be applied to pay down the allocated price for Lifeline voice
- 3. In order to be eligible to receive Lifeline Assistance, the customer must certify that s/he participates in one of the following:
  - Medicaid
  - Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps
  - Supplemental Security Income (SSI)
  - Federal Public Housing Assistance
  - Low Income Home Energy Assistance Program (LIHEAP)
  - National School Lunch Program's Free Lunch Program
  - Temporary Assistance for Needy Families (TANF)
  - Income is at/below 135% of the Federal Poverty Guidelines
- 4. If the customer claims to qualify based on income, s/he must present acceptable documentation of the household income. Acceptable documentation includes: the prior year's tax return, current income statement from an employer or paycheck stub, a Social Security statement of benefits, a Veterans Administration statement of benefits, a retirement/pension statement of benefits, an Unemployment/Workmen's Compensation statement of benefits, federal or tribal notice letter of participation in General Assistance, a divorce decree, child support, or other official document.
- 5. If the customer presents documentation of income that does not cover a full year (e.g., pay stubs), the customer must present three consecutive months worth of the same document.
- 6. Customer must fill out the attached Lifeline Assistance Certification. Once the form is complete, you must print your name and sign at the appropriate places on the form.
- 7. Make a copy of the form and give the customer a copy. The original is to be kept in a file.
- 8. A service deposit cannot be collected on an eligible customer.

### LIFELINE ASSISTANCE CERTIFICATION

I hereby certify, under penalty of perjury, that I am eligible to receive Lifeline Assistance for the following reason(s): (Please check all that apply) Medicald Food Stamps \_\_ Supplemental Security Income (SSI) \_\_\_\_ Federal Public Housing Assistance \_\_ Low Income Home Energy Assistance Program (LIHEAP) \_\_ National School Lunch Program's Free Lunch Program \_\_\_\_ Temporary Assistance for Needy Families (TANF) Income is at/below 135% of the Federal Poverty Guidelines I also certify, under penalty of perjury, the following: Number of Individual's in my household Date of birth Last four (4) digits of my Social Security Number \_\_\_\_ Household meets the income requirements Presented documentation of income accurately represents the household income I further acknowledge, under penalty of perjury, the following requirements: (Please acknowledge by initialing each) Lifeline is a federal benefit and is available for only ONE line per household. Violation of the one-per-household requirement would constitute a violation of the Commission's rules and would result in subscriber's de-enrollment from the Lifeline program, and potentially prosecution by the United States government. Lifeline service is a non-transferrable benefit. Will notify Hardy Telecommunications, Inc. within 30 days when I am no longer eligible for Lifeline services; or, am receiving more than one Lifeline-supported service. Information in applications is true and correct to the best of my knowledge. False or fraudulent information is punishable by fine or imprisonment. **Customer Signature** Customer Name Date Hardy Employee Name

PSC NO. 7

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Cancels

2<sup>nd</sup> Revised Sheet No. 24 Revised Sheet No. 24

### NETWORK ACCESS LINE SERVICE

### LIFELINE ASSISTANCE

The Company, as part of its obligations as an Eligible Telecommunications Carrier, offers the Lifeline Assistance Program to eligible low-income subscribers. Lifeline Assistance is offered under the terms and conditions provided below:

### 1. Lifeline Assistance

#### a. General

Lifeline Assistance is a federal program offering a discount to qualifying low-income S subscribers, as provided for below. Lifeline Assistance provides eligible subscribers a discount for the following package of services: voice-grade access to the public switched network or functional equivalent; minutes of use for local service; access to E-911 services; and, toll limitation service at no charge.

### b. Regulations

- Unless other eligibility requirements are established by the Commission, Lifeline Assistance is available to all subscribers who participate in one of the following programs: Medicald; Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps; Supplemental Security Income (SSI); Federal Public Housing Assistance; Low-Income Home Energy Assistance Program (LIHEAP); National School Lunch Program's free lunch program; and, Temporary Assistance for Needy Families (TANF).
- Each subscriber to Lifeline Assistance must certify in writing to the Company. under penalty of perjury, that sine receives benefits under a program outlined in sub-paragraph (b) (1), above, and must, on that same document, agree to notify the Company if s/he ceases to participate in the program(s). The certification form shall conform to the requirements described herein. and shall be made available upon request to any subscriber. The Company shall retain all such subscriber certifications in order to furnish proof of subscriber eligibility as may be required from time to time by Universal Service Administrators.

issued by authority of an Order of the Public Service Commission of West Virginia in Case No. 12-732-T-T dated July 27, 2012, effective August 1, 2012.

## NETWORK ACCESS LINE SERVICE

### LIFELINE ASSISTANCE/LINK UP (cont'd.)

- 1. Lifeline Assistance (cont'd.)
  - b. Regulations (confd.)
    - 3) A subscriber may elect at the time of subscription or later to Lifeline Assistance to receive toil limitation as part of Lifeline Assistance. "Toil limitation" is a service that allows a subscriber to elect not to allow the completion of outgoing toil calls from the subscriber's residence.
    - 4) Lifeline Assistance will not be disconnected for non-payment of toll charges, unless the Company first obtains a waiver from the Commission that the Company would otherwise Incur substantial costs, that the Company offers toll limitation without charge, and that telephone subscribership among low-income subscribers in the Company's service area is greater than or equal to the national subscribership rate for low-income consumers. For purposes of this paragraph, a "low-income consumer" is one with an income below the poverty level for a family of four residing in West Virginia. The Company shall follow all applicable notice provisions as established, from time to time, by the Commission, as part of using a waiver, if granted. The Company may apply for waivers as necessary.
    - 5) The Company may not collect a service deposit in order to initiate Lifeline Assistance if the qualifying low-income subscriber voluntarily elects toll limitation from the Company.
    - 6) Eligibility for Lifeline service shall be subject to initial and continuing verification by the local WV Department of Health and Human Resources.
  - c. Lifeline Assistance provides a discount to the subscriber's monthly local telephone service. The discount is only available for one telephony service per household. The flat-rate discount available per month is \$9.25.

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PSC NO. 7 2<sup>nd</sup> Revised Sheet No. 26 1<sup>st</sup> Revised Sheet No. 26

D

Cancels

### NETWORK ACCESS LINE SERVICE LIFELINE ASSISTANCE/LINK UP (cont'd.)

- 1. Lifeline Assistance (cont'd.)
  - d. The Company shall apply the baseline payments received by the administrator of the Federal Lifeline Assistance program to waive the qualifying customer's federal End-User Common Line Charge. The Company shall apply any additional Federal support amount to the qualifying subscriber's basic local exchange

 Partial payments that are received from Lifeline customers shall first be applied to local service charges and then to any outstanding toil charges.

2. Link Up



June 15, 2016

Ms. Marlene H. Dortch Secretary Federal Communications Commission 9300 East Hampton Drive Capitol Heights, MD 20743

Re: WC Docket No. 14-58, 2015 Annual Report, Form 481 for High-Cost Recipient 54.313(f)(1) "Milestone Certification"

Dear Ms. Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that Hardy Telecommunications, Inc.

- Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 10 Mbps downstream / 1 Mbps upstream;
- Provides latency suitable for real-time applications including VoIP and usage capacity which is reasonably comparable to those in urban areas and;
- That reasonable requests for service are met within a reasonable timeframe.

Sincerely,

D. Scott Sherman

General Manager & CEO

According to the Paperwork Reduction Act of 1995, an agency may not conduct or spousor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is of information collection in collection is estimated to average 4 hours per expense, including the data needed, and completing and reviewing instructions,

		ubicand suc issigning	the collection of information.				
USDA-RUS	s		This data will be used by RUS to review your financial situation. You	ur response is required by 7 U.	S.C. 901 et seq.		
			and, subject to federal laws and regulations regarding confidential in BORROWER NAME	nformation, will be treated as	confidential.		
OPERATING REPORT FOR			Hardy Telecommunications, Inc.				
TELECOMMUNICATION	S BORROWER	.S	(Prepared with Audited Data)				
INSTRUCTIONS-Submit report to RUS within 30 day	s after close of the p	eriod.	PERIOD ENDING BORROWER DESIGNATION				
For detailed instructions, see RUS Bulletin 1744-2. R	leport in whole dollar	rs only.	December, 2015 WV0513				
ALL INSURANCE REQUIRED BY 7 RENEWALS HAVE BEEN OBTAINE	CFR PART 1788, ED FOR ALL POI	dance with the acco , CHAPTER XVII LICIES.	ERTIFICATION ounts and other records of the system and reflect the stat I, RUS, WAS IN FORCE DURING THE REPORTIN	itus of the system			
DUKING THE PERIO	D COVERED BY	THIS REPORT I	PURSUANT TO PART 1788 OF 7CFR CHAPTER ) of the following)	(VII			
All of the obligations under the RUS loan doc have been fulfilled in all material respects.	uments		There has been a dafault in the fulfillment of the oblig- under the RUS loan documents. Said dafault(s) laters specifically described in the Telecom Operating Repo				
David Sherman		5/20/2016	-postering accounts in the control of second control				
		DATE	•				
			A. BALANCE SHEET				
	BALANCE	BALANCE	C DALMAGE SALES	231 41105			
ASSETS	PRIOR YEAR	END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE	BALANCE		
CURRENT ASSETS			CURRENT LIABILITIES	PRIOR YEAR	END OF PERIOD		
1. Cash and Equivalents	4,529,272		25. Accounts Payable	5,250,147	3,451,157		
2. Cash-RUS Construction Fund	161		26. Notes Payable		3,102,20.		
3. Affiliates:			27. Advence Billings and Payments	<del></del>			
a. Telecom, Accounts Receivable			28. Customer Deposits	_			
b, Other Accounts Receivable		1	29. Current Mal. L/T Debt	943, 605	1,050,615		
c. Notes Receivable			30, Current Met, L/T Debt-Rur, Dev.	<del>-  </del>	2,000,020		
4. Non-Affiliates:		· · · · · · · · ·	31. Current MatCapital Leases				
a. Telecom, Accounts Receivable	120,742	144,894	32. Income Texes Accrued				
b. Other Accounts Receivable	214,681	265,557	33. Other Taxes Accrued		·		
c. Notes Receivable			34. Other Current Liabilities	66,147	64,538		
5. Interest and Dividends Receivable			35. Total Current Lightities (25 thru 34)	6,259,899	4, 566, 310		
6. Material-Regulated	1,082,738	428,322	LONG-TERM DEBT		4, 300, 310		
7. Material-Nonregulated	48,435	40,115	38. Funded Debt-RUS Notes	8,533,811	9,748,858		
B. Prepayments	179,635	72,759	37. Funded Debt-RTB Notes	1,698,072	1,619,625		
9. Other Current Assets	46,488	48,812	38. Funded Debt-FFB Notes				
10. Total Current Assets (1 Thru 9)	6,222,152	3,707,987	39. Funded Debt-Other	1,104,345	853,371		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop, Loan				
11. Investment in Affiliated Companies	900		41. Premium (Discount) on L/T Debt				
a. Rural Development	2,262,182						
b. Nonrural Development			43. Obligations Under Capital Lease				
12. Other investments			44. Adv. From Affiliated Companies				
B. Rural Development			45. Other Long-Term Debt				
b. Nonrural Development	262,114		46. Total Long-Term Debt (36 thru 45)	11, 336, 228	12,221,854		
13. Nonregulated investments			OTHER LIAB. & DEF. CREDITS	000000000000000000000000000000000000000			
14. Other Noncurrent Assets			47. Other Long-Term Liablidies	North a Mayoria			
15. Deferred Charges			48. Other Deferred Credits	2,039,245	1,799,333		
16. Jurisdictional Oifferences			49. Other Jurisdictional Differences				
17. Total Noncurrent Assets (11 thru 16)	2,524,296	2,936,630	50. Total Other Lizbilides and Deferred Credits (47 thru 49)	2,039,245	1,799,333		
PLANT, PROPERTY, AND EQUIPMENT	1 1	1	EQUITY				
18. Telecom, Plant-in-Service	38,223,091	44,640,601	51. Cap. Stock Outstand, & Subscribed				
19. Property Held for Future Use			52. Additional Paid-in-Capital				
20. Plant Under Construction	4,098,783	956,118	53. Treasury Stock				
21. Plant Adj., Nonop. Plant & Goodwill	<u> </u>	ļ	54. Mambarship and Cop. Certificates				
22. Less Accumulated Depreciation	23,121,904	24,290,687	55. Other Capital				
23. Net Plant (18 thru 21 less 22)	19,199,970	21,306,032	58. Patronage Cepital Credits	7,770,170	8,157,934		
24. TOTAL ASSETS (10+17+23)	1 !		57. Retained Earnings or Margins	540,876	1,205,218		
		1	58. Total Equity (51 thru 57)	8,311,046	9,363,152		
	1	1 1	59. TOTAL LIABILITIES AND EQUITY (35+48+59+59)				
	27,946,418	27,950,649		27,946,418	27,950,649		

## OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

WV0513

PERIOD ENDING

INSTRUCTIONS- See RUS Bulletin 1744-2

December, 2015

### PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ПЕМ		
	PRIOR YEAR	THIS YEAR
Local Network Services Revenues	1,532,004	1,932,828
2. Network Access Services Revenues	4,715,015	4,865,132
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	1,604	1,075
5. Miscellaneous Revenues	93,583	88,889
6. Uncollectible Revenues	30,000	30,000
7. Net Operating Revenues (1 thru 5 less 6)	6,312,206	6,857,924
8. Plant Specific Operations Expense	2,029,069	2,034,043
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	448,852	520,226
10. Depreciation Expense	1,923,154	1,725,871
11. Amortization Expense		
12. Customer Operations Expense	601,457	649,259
13. Corporate Operations Expense	1,239,782	1,234,886
14. Total Operating Expenses (8 thru 13)	6,242,314	6,164,285
15. Operating Income or Margins (7 less 14)	69, 892	693, 639
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal income Taxes	20,410	
19. Other Taxes	81,228	72,087
20. Total Operating Taxes (17+18+19)	101,638	72,087
21. Nat Operating Income or Margins (15+16-20)	(31,746)	621,552
22. Interest on Funded Debt	529,528	490,464
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction	106,296	112,953
26. Total Fixed Charges (22+23+24-25)	423,232	377,511
27. Nonoperating Net Income	608,255	668,378
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	387,599	292,799
31. Total Net Income or Margins (21+27+28+29+30-26)	540,876	1,205,218
32. Total Taxes Based on Income	3107010	1,203,210
33. Retained Earnings or Margins Beginning-of-Year	298,024	540,876
34. Miscellaneous Credits Year-to-Date	2,0,024	340,676
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital	298,024	540,876
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	540,876	
40. Patronage Capital Beginning-of-Year	7,640,260	1,205,218
41. Transfers to Patronage Capital	298,024	7,770,170
42. Patronage Capital Credits Retired	168,114	540,876 153,112
43. Patronage Cepital End-of-Year (40+41-42)	7,770,170	
44. Annual Debt Service Payments	1,364,270	8,157,934
45. Cash Ratio ((14+20-10-11) / 7)		1,442,754
46. Operating Accrual Ratio [(14+20+26) / 7]	0.7004	0.6577
47. TIER [(31+26) / 26]		0.9644
48. DSCR [(31+26+10+11) / 44]	2.2780	4.1925
40. DOG! [[0172071071]]	2.1163	2.293

# OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

WV0513

PERIOD ENDED December, 2015

INSTRUCTIONS - See RUS Bulletin 1744-2

	Part C. SU	BSCRIBER (ACC	CESS LINE), ROUTE	Mile, & High speed	DATA INFORM	IATION	
1. RATES			RIBERS (ACCESS LINE	3. ROUTE MILES			
EXCHANGE	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
Lost River 1	22.00	14.00	97	812	809	218.00	125,00
Lost River 2	25,00	15.00	85	349	434	217.00	124.00
Lost River 3	50.00	21.00	40	789	838	217.00	124.00
Lost River 4	60.00	28.00	10	284	294	218.00	124.00
Lost River Official	12.01	12.00	281	43	304		
Moorefield Official	1.00	1.00	85	18	103		
Hardy Video	121.00	88.00	19	637	656		
Moorefield Video	121.00	88.00	24	479	503		
Moorefield 1	22.00	14.00	194	78	272	218.00	125.00
Moorefield 2	25.00	13.00	25	45	70	217,00	124.00
Moorefield 3	40.00	20.00	19	113	132	218,00	124.00
Moorefield 4	49.00	27.00	145	29	174	218.00	125.00
MobileWireless	_				0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			1,004	3,683	4,687	1,741.00	995.00
No, Exchanges	12						

## OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION
WV0513
PERIOD ENDED

December, 2015

INSTRUCTIONS - See RUS Bulletin 1744-2

Part C. SUBSCRIBER (ACCESS	LINE), ROUTE MILE, &	HIGH SPEED DATA	INFORMATION

		4. BROADBAND SERVICE						
				Detai	ls on Least Expen	sive Broadband S	ervice	
EXCHANGE	No. Access Lines with BB available (e)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month	Standalone/Pckg	Type Of Technology (g)
Lost River 1	909	737	737	768	768	29.95	Package	Fiber to the Home
Lost River 2	434	387	367	768	768	29.95	Package	Fiber to the Home
Lost River 3	838	600	600	768	768	29.95	Package	Fiber to the Home
Lost River 4	294	254	254	769	768	29.95	Package	Fiber to the Home
Lost River Official								Fiber to the Home
Moorefield Official								Fiber to the Home
Hardy Video	658	656	656	3,000	3,000	88.00	Packege	Fiber to the Home
Moorefield Video	503	503	503	3,000	3,000	86.00	Package	Fiber to the Home
Moorefield 1	256	256	148	768	768	29.95	Package	Fiber to the Home
Moorefield 2	70	70	70	768	768	29.95	Package	Fiber to the Home
Moorefield 3	132	104	104	768	768	29.95	Package	Fiber to the Home
Moorefield 4	174	125	125	768	768	29.95	Package	Fiber to the Home
Total	4,264	3,672						

	1004 0110					
	USDA-RUS			BORROWER DES	BIGNATION	
	OPERATING REPORT FOR	L .		WV0513		
T	ELECOMMUNICATIONS BORRO	WERS		PERIOD ENDING		
				December, 20	)15 	
INSTRUCTIONS- See RUS Bulletin	1744-2					
		PART D. SYSTEM	DATA			
1. No. Plans Employees 10	2. No. Other Employees 30	3. Square Miles Served	389	4. Access Lines per Square	Mile 12.05	5. Subscribers per Route Milo 2 . 69
		PART E. TOLL	DATA			2.03
1. Study Area ID Code(s)	2. Types of Toll Se	tilaments (Check one	)			
	200259		Interstate:	Average Schedule		X Cost Basis
			Intrastate:	Average Schedule	. [	X Cost Basis
	·					_
6.						
	· <del></del>					
						·
	PART F. FUI	NDS INVESTED IN P	LANT DURING YEA	AR		
1. RUS, RTB, & FFB Loan Funds Ex	coended	-				6,417,510
2. Other Long-Term Loan Funds Exp			<del></del>			
3. Funds Expended Under RUS Inte	erim Approvei				<del></del>	
4. Other Short-Term Loan Funds Ex	pended					
5. General Funds Expended (Other	than interim)					
8. Salvaged Materials						
7. Contribution in Aid to Construction	n					
<ol><li>Gross Additions to Telecom. Plan</li></ol>	ıt (1 thru 7)					6,417,510
	PART G. IN	/estments in Aff	ILIATED COMPANI	<b>ES</b>		
		CURRENT Y	EAR DATA		CUMULATIVE DA	ATA
				Cumulative	Cumulative	
INVE	STMENTS	Investment	income/Less	Investment	tncome/Loss	Current
		This Year	This Year	To Date	To Date	Balance
	(a)	(b)	(e)	(4)	(e)	Ø
Investment in Affiliated Companie     Investment in Affiliated Companie		<del></del>	419,516	557,000	2,124,698	2,681,698
ic. invesiment in Antielea Companie	se – uounnen nevembuseut	I	1		İ	1

Page 5 of 6

## OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION
WV0513
PERIOD ENDING
December, 2015

### PART H. CURRENT DEPRECIATION RATES

TAKTIL GORRENI DEFRECIATION	RATES
Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)	X YES NO
EQUIPMENT CATEGORY	DEDDE CATALON CASE
Land and support assets - Motor Vehicles	DEPRECIATION RATE
Land and support assets - Aircraft	10.550
3. Land and support assets - Special purpose vehicles	15.75%
4. Land and support assets - Garage and other work equipment	16.94
5. Land and support assets - Buildings	3.34%
6. Land and support assets - Furniture and Office equipment	10.32%
7. Land and support assets - General purpose computers	26.05%
8. Central Office Switching - Digital	9.29%
9. Central Office Switching - Analog & Electro-mechanical	15.67%
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	9.21
12. Central Office Transmission - Circuit equipment	
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	14.54
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	5.42
19. Cable and wire facilities - Aerial cable - Metal	11.00
20. Cable and wire facilities - Aerial cable - Fiber	5.19
21. Cable and wire facilities - Underground cable - Metal	4.229
22. Cable and wire facilities - Underground cable - Fiber	4.229
23. Cable and wire facilities - Buried cable - Metal	4.229
24. Cable and wire facilities - Buried cable - Fiber	4.229
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	
1	

#### BORROWER DESIGNATION USDA-RUS **OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS** PERIOD ENDED December, 2015 INSTRUCTIONS - See help in the online application. PART I - STATEMENT OF CASH FLOWS Beginning Cash (Cash and Equivalents plus RUS Construction Fund) 4,529,433 CASH FLOWS FROM OPERATING ACTIVITIES 2. Net Income 1.205.218 Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities Add: Depreciation 3. 1,725,871 Add: Amortization 5. Other (Explain) Changes in Operating Assets and Liabilities Decrease/(Increase) in Accounts Receivable в, (75,028) Decrease/(Increase) in Materials and Inventory 7. 662,736 Decrease/(Increase) in Prepayments and Deferred Charges 8. 106,876 Decrease/(Increase) in Other Current Assets 9. (2, 324)Increase/(Decrease) in Accounts Payable 10. (1,798,990) Increase/(Decrease) in Advance Billings & Payments Increase/(Decrease) in Other Current Liabilities (1,609) 13. Net Cash Provided/(Used) by Operations 1,822,750 **CASH FLOWS FROM FINANCING ACTIVITIES** 14. Decrease/(Increase) in Notes Receivable 0 15. Increase/(Decrease) in Notes Payable 0 16. Increase/(Decrease) in Customer Deposits 0 17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities) 992,636 18. Increase/(Decrease) in Other Liabilities & Deferred Credits (239, 912) Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital 19. Less: Payment of Dividends 20. Less: Patronage Capital Credits Retired 21. (153, 112) 22. Other (Explain) Net Cash Provided/(Used) by Financing Activities 23. 599,612 CASH FLOWS FROM INVESTING ACTIVITIES Net Capital Expenditures (Property, Plant & Equipment) (3, 274, 845)Other Long-Term Investments (412, 334) Other Noncurrent Assets & Jurisdictional Differences 26. Other (Explain) Additional CA(EX (557,088) Net Cash Provided/(Used) by Investing Activities 28. (4, 244, 267)Net increase/(Decrease) in Cash 29. (1,821,905) **Ending Cash** 30. 2,707,528

Revision Date 2010

USDA-RUS	BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	WV0513
NSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
NOTES TO THE OPERATING REPORT	FOR TELECOMMUNICATIONS BORROWERS

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USDA-RUS	BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	WV0513
NSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
CERTIFICATION LOAN DEFAULT NOTES TO THE OF	PERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

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### United States Department of Agriculture Rural Development Utilities Programs - Data Collection System

NOME

HELP

PRINT LOGOUT CONTACTUS

DAVID SHERMAN : HARDY TELECOMMUNICATIONS, INC. (WVC.13) : OF PEROLE-TELECOM DECEMBER 2015

Reports Op. Report-Telecom

Certification Point Of Contact Part A Part B Part C Part D

Part E Part F Part G Part H Part I Notes

Certification

Your response is required by 7 U.S.C. 901 et seq. and subject to federal laws

Certification saved successfully.

on, will be treated as confidential.

According to the Paperwork Reduction Act of 1995, an agency a collection of information unless it displays a valid OMB control

on is not required to respond to, r for this information collection is

0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII (check one of the following)

 All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report.

Certifier Name:

Certifier Title:

Date Certified and Electronically Signed:

David Sherman

General Manager &EVP 5/20/2016

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